

OLC 78-1736/3

25 August 1978

MEMORANDUM FOR THE RECORD

SUBJECT: 21 August 1978 Meeting Concerning H.R. 12171,
the "Federal Accounting and Auditing Act of 1978"

1. On 21 August 1978 the undersigned, together with [redacted] Jr., Chief, Legislation Staff, Office of Legislative Counsel, and [redacted] Office of the Comptroller, met with representatives of the FBI and Mike O'Neil, Chief Counsel, HPSCI, and Bernie Raimo, also Counsel to the HPSCI, to discuss H.R. 12171, the "Federal Accounting and Auditing Act of 1978." Also present was Annette Smiley, HPSCI staff.

2. The meeting, called by Mr. O'Neil, focused on the issue of how to deal with the bill which was introduced in April by the Chairman of the House Government Operations Committee, Jack Brooks, and which subsequently was ordered favorably reported by the same Committee, notwithstanding strong opposition to the bill expressed by CIA and the Justice Department. At our urging Representative Boland, Chairman, HPSCI, requested "sequential referral" of the bill to consider the intelligence equities involved.

3. After posing a series of questions with regard to the extent of confidential funds expenditures by the FBI and the CIA, Mr. O'Neil informed us that Chairman Boland is now under pressure by Representative Brooks to clear the bill through HPSCI. We were told that in an effort to get the bill cleared and out of HPSCI Mr. Brooks has asked Mr. Boland to request the Intelligence Community for amendatory language that would cover our concerns. Representative Brooks in the meantime is delaying filing the Committee Report on H.R. 12171 until Chairman Boland notifies him of amendatory language acceptable to the Intelligence Community.

4. OLC representatives underscored the fundamental authority of the DCI at stake in the bill and pointed out our main concerns with specific provisions in the bill. We also emphasized the CIA's view that the issue of GAO review of confidential funds transactions is best left to the charter legislation deliberation process, pointing out that at the same time we were meeting an SCC Charter Working-Level Group was considering the same matter in an effort to come up with an Administration position on section 123 of the charter legislation which addresses the same issue

covered in part in H.R. 12171. Mr. O'Neil did not seem too terribly seized with either the fundamental authority at issue in the bill or the importance of leaving the issue to be fully addressed in the context of the charter legislation deliberations. In his opinion every piece of legislation impacting on intelligence equities it could be argued should be left to the charter legislation process. In closing, Mr. O'Neil asked us to attempt to draft amendatory language to satisfy Community concerns and get back to him by 23 August.



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Assistant Legislative Counsel

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